



For Immediate Release:

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Consolidation Services Activates Foreign Trade Zone

HICKORY – Consolidation Services, a Hickory-based subsidiary of MDI, has activated the first site in the Hickory Metro Foreign Trade Zone (FTZ), enabling them to provide an array of beneficial options to their customers. The Consolidation Services site, a “general purpose foreign trade zone” intended for business development and marketing purposes, has been established as an expansion of Charlotte FTZ #57.

Consolidation Services is a third-party logistics company within the Alex Lee family of companies. A subsidiary of MDI, Consolidation Services supplies a vast range of warehousing and distribution services, specializing in helping manufacturers ship products to retail. For Consolidation Services and their customers, the FTZ allows for merchandise to be stored, assembled, distributed, sorted, repacked or any host of other options at their site in Hickory, all while gaining certain advantages from duty deferment, improved inventory control, increased security and an overall shorter time to market.

“We are excited about providing a Foreign-Trade Zone for the Hickory Metro area. Having an active FTZ will make our region more competitive in attracting new business. Also, being a general purpose zone will enable us to support most businesses that import products and have distribution needs,” said Mark Anderson, General Manager of Consolidation Services.

Activating the site was a very lengthy and difficult process and Consolidation’s decision to apply for a FTZ required careful internal evaluation and broad community support. Consolidation Services’ particular activation process entailed nearly two years of work and

included not only the original written application, but the development of a highly structured zone procedures manual, employee background investigations, the intensive training of a Consolidation Services employee to manage the FTZ, as well as the modification of the Hickory Metro Foreign Trade Zone's previous boundaries.

“Considering the initial steps to establish a local FTZ began nearly a decade ago with the efforts of Bebe Leitch at the Catawba County EDC, this is a very gratifying success. The FTZ has the ability to transform not only Consolidation Services, but additionally our region's economy,” says Nathan Huret, Existing Industry Coordinator for the Catawba County Economic Development Corporation.

Eight sites in Alexander, Burke, Caldwell and Catawba Counties have been granted foreign-trade zone status by the US Foreign Trade Zones Board, including land at the Hickory Regional Airport, as well as at the Danner Industrial Park in Newton and Conover West Industrial Park fronting Interstate 40 in Conover. Benefits of a FTZ are not applicable until the site is activated.

The original FTZ Act, passed by Congress in 1934, was intended to stimulate international trade and create or retain jobs in the US that might otherwise go abroad. When activated by an operator under US Customs and Border Protection rules, general purposes FTZ sites afford the users certain tax and tariff relief. For example, no Customs duties are levied on an entire shipment stored (indefinitely) in the FTZ; duties are paid only on the portion of the product sold into the US market, and not until the time it is put into US Commerce. Meanwhile, any product stored in the Zone that is sold abroad is not dutiable.

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